

MASTER COPY

AGREEMENT

between

**United PARADYNE
Corporation**

and the

**International Brotherhood
of Teamsters Local 986**

at the

FUELS DISTRIBUTION SUPPLY PROJECT

EDWARDS AIR FORCE BASE, CALIFORNIA

"Team Edwards"

Effective August 22, 1999

TABLE OF CONTENTS

ARTICLE	TITLE	PAGE
1	PURPOSE OF AGREEMENT	1
2	RECOGNITION AND SCOPE	1
3	GOVERNMENT SECURITY RESPONSIBILITY	2
4	WORKING WEEK	3
5	OVERTIME COMPENSATION & DISTRIBUTION	4
6	HOLIDAYS	6
7	VACATIONS	7
8	SENIORITY	7
9	PROMOTIONS, QUALIFICATIONS & JOB CLASSIFICATIONS	9
10	LEAVE OF ABSENCE	9
11	MILITARY LEAVE-RETENTION OF SENIORITY	10
12	TERMINATION OF EMPLOYMENT	10
13	PAID SICK LEAVE	10
14	PROTECTIVE CLOTHING, EQUIPMENT AND TOOLS	11
15	BULLETIN BOARDS	11
16	GENERAL BENEFITS	12
17	MUTUAL AGREEMENTS	12
18	NO STRIKE-NO LOCKOUT	12
19	MANAGEMENT CLAUSE	12
20	DISCIPLINE AND DISCHARGE	13
21	ADJUSTMENT OF GRIEVANCES	15
22	ARBITRATION PROCEDURE	16
23	ABSENCE FROM DUTY	17
24	UNION SECURITY AND CHECKOFF	17
25	GENERAL	19
26	DURATION OF AGREEMENT	20
APPENDIX A	WAGE RATES AND ADMINISTRATION	22
APPENDIX B	BENEFITS	23

ARTICLE I

PURPOSE OF AGREEMENT

This Agreement is entered into in the mutual interest of present and future employees of **United PARADYNE Corporation** (hereinafter referred to as the Company) and the **International Brotherhood of Teamsters, Local 986** (hereinafter referred to as the Union). It is the intent and purpose of this Agreement for the Company and the Union to set forth a partnering process for wages, hours and working conditions as it relates to the employees of the Company covered by the terms and conditions of this Agreement.

Further, it is the intent of the parties to secure maximum efficiency of operations and maximum productive output from each employee. It is understood that under no condition will operations be interrupted and all duties must be faithfully performed and discharged in order for the Company and its employees to fulfill their mutual and vital responsibilities in our national defense efforts. It is recognized and understood that the Company must operate with economy and efficiency with due regard to the competitive conditions of today's business environment.

It is recognized by this Agreement to be the duty of the Company, the Union, and all employees to cooperate fully, both individually and collectively, for the advancement of said conditions; and to provide a fair and prompt grievance procedure for the peaceful settlement of employee grievances; and to provide that there shall be no interruption and/or impeding of operations during the term of this Agreement.

All predecessor contractor, Civil Service or Government past practices are hereby null and void, and shall not constitute a precedent in the future enforcement of the terms and conditions herein.

ARTICLE 2

RECOGNITION AND SCOPE

The Union is recognized by the Company as the sole collective bargaining agent for those employees of UPC which are based at Edward's AFB and composed of the class and craft of employees as enumerated in Appendix A of this Agreement.

It is further understood and agreed that the Company, to the extent that it performs work described below with its own employees, will assign such work to employees covered by this Agreement

The work referred to in the preceding paragraph is the work currently performed by United Paradyne employees represented by the Teamsters Union at the Edward's Air Force Base Fuels Supply Project.

It is understood that Management will not perform productive work assigned to and performed by employees in classifications listed in Appendix A except as follows:

- (1) Work which, historically, has been performed as a part of a management function.
- (2) Work required to protect life or property.
- (3) In emergencies, work which calls for immediate action to avoid undue delay of any customer operations.
- (4) Training of New Employees or Remedial Training. The work referred to in subparagraphs (2), (3), and (4) shall be turned over to the appropriate employees in the classifications listed in Attachment A as they are available and determined to be qualified to perform the service by Management.

ARTICLE 3

GOVERNMENT SECURITY RESPONSIBILITY

The parties hereto jointly recognize and agree that the Company is a contractor to the United States Air Force at Edward's Air Force Base and must comply with the security requirements and directives of the Department of Defense by direction of the Contracting Officer. Should the Contracting Officer and/or any other authorized representative of the United States Government direct that any employee(s) be removed from any or all work for the contractor on this contract, the Company, to the extent it is authorized, shall provide such documents to the Union. The Company's compliance with the directives shall not be subject to the grievance procedure except as to the fact of the action having been taken at the direction of the Contracting Officer and/or any other authorized representative of the U.S. Government.

In the event, however, that a review duly made by the United States Government, shall result in a reversal of the original ruling, the employee shall not receive payment for wages or benefits lost during the period of removal from the classified work.

The Company, all representatives of the Union having access to the premises, and all employees are required to comply with applicable Government security regulations when performing work for the Government. The Company and the Union agree that security information will be revealed only to persons properly cleared and required by the Government to have the information. Both the Company and the Union understand that national security and defense efforts take precedence over this Agreement.

The Union recognizes that the Company is a Contractor to the Federal Government and the Company is required at all times to meet its obligations as a contractor. Nothing in this Agreement is intended, nor will any provisions of this Agreement prevent the Company from fully meeting its obligations and responsibilities as a contractor. The Union fully recognizes that from time to time the Government may impose various legal and/or lawful demands or obligations upon the Company and that the Company and its employees must meet such demands, obligations or comply with such rules and regulations as may be promulgated or

imposed by the Government.

It is further understood that if a security clearance is required in order to perform such work in the job classifications covered by the Agreement, that such security clearance shall be a condition of continued employment with the Company. Such employees shall be subject to investigation for security clearance by the Department of Defense or any other authorized and appropriate agency of the United States Government. A denial or withdrawal of such clearance by such governmental agency shall be grounds for reassignment to available non-classified work for which the employee is qualified. If no such work is available, the employee shall be laid off or terminated from employment should circumstances of the revocation warrant.

ARTICLE 4 **WORKING WEEK**

(a) The work day shall consist of a twenty-four (24) hour period beginning at 12 o'clock midnight, and a regular day's work shall consist of eight (8) consecutive hours, exclusive of meal periods.

(b) The normal work week shall consist of seven (7) consecutive days beginning at 12 o'clock midnight on a specific day for each employee, and the regular weekly work schedule shall consist of five (5) work days of eight (8) hours each, exclusive of meal periods, in the work week.

(b)(1) In those instances where customer requirements can be better served by employees working a four (4) day work week; ten (10) hour work day, herein after referred to as the 4-10 Plan, Management shall consider the implementation of such a modified work week. Conversion to this modified work schedule is contingent upon customer service, safety excellence, economic impact to the company, and approval by affected employees and the Company. Employees working the 4-10 Plan will not be paid overtime for hours worked beyond eight (8) hours per day but will be provided overtime should their schedule exceed forty (40) hours in any given work week.

(c) As far as practical, each employee shall be scheduled so as normally to be off duty two (2) consecutive days of the work week.

(d) Where employees are required to maintain continuous operation of departments or assignments, days off may be fixed or rotated consistent with the requirements of the service. The Company will make every reasonable effort to arrange work schedules so that a maximum number of employees will be off duty on Saturdays and Sundays, consistent with operational requirements of the Government.

(1) Understanding that California Law may change with respect to current overtime compensation, the Company and the Union hereby agree that should such change in law occur, this agreement will be modified to comply with the provisions of the law and the effective date of such legislation.

(e) All time worked in continuous tour of duty, including overtime, shall be considered as work performed on the workday within which the tour of duty is started.

(f) Whenever and wherever shifts are to be established, the type of shift, fixed or rotating, shall be agreed upon between the Company and Union. If no agreement is reached regarding the type of shift, the same may be established by the Company and the Union may process its objections under the applicable provisions of this Agreement. Employees required on rotating shift work shall be rotated on the various shifts at regular intervals in such a manner as to provide substantially equal time for all employees on each shift. In emergency situations, or when directed by the Government, Management reserves the right to adjust employee schedules and shifts.

(g) When employees hereunder work more than eight (8) hours in any twenty-four (24) hour period as a result of rotation of shifts, such employees shall receive only straight-time pay for the second eight (8) hours or portion thereof worked during such twenty-four (24) -hour period.

(h) In the establishment or changing of the starting times for the commencement of shifts, the Company must consider, among other items, the desires of the employees involved. To the extent possible, employees will be given seven (7) days advanced notice of changes in shift starting times.

(i) Employees will have the opportunity to select shifts and/or work weeks twice annually. These selections will be based upon an employee's seniority within the work group. Selections will be effective on April 1 and October 1 of each calendar year.

(j) Occasionally, employees may be required to report to duty after having left the premises for the day. In those instances, employees will be guaranteed a minimum of two (2) hours of Call-In pay regardless of hours actually worked. If an employee is required to work longer than two (2) hours, the employee will be paid for all hours actually worked.

(k) Employees who are required to be on Standby Status and who have been officially notified by the Company of such status will be paid fifty (\$50.00) dollars for each calendar day or portion thereof for being placed on Standby Status. If the Company attempts to contact an employee on Standby Status and the employee does not acknowledge contact, the employee will not be paid for Standby Status. When an employee reports to work who has been previously placed on Standby Status, Standby compensation will be paid in addition to hours actually worked. Communication systems will be provided by the Company for those employees on Standby Status.

ARTICLE 5

OVERTIME COMPENSATION AND DISTRIBUTION

The following procedure will apply in administering overtime:

(a) The provisions of this Article are intended to provide the basis for calculation and payment of overtime and shall not be construed as a guarantee of any specific overtime hours

per day or per week.

(b) It is understood and agreed that the Company reserves the right to require employees covered by this Agreement to perform a reasonable amount of overtime work in order to meet Government contract requirements. When such overtime is required, employees involved shall be given as much advanced notice as is possible.

(c) The Company will attempt to meet its daily overtime requirements, anticipated to be in excess of one (1) hour, on a voluntary basis by seniority among the employee(s) present in the classification on that shift in the section where the employee is performing the work on a straight time basis. The Company will attempt to meet its overtime requirements for Saturdays, Sundays and holidays on a voluntary basis by seniority among the employee(s) in the classification on that shift in the section who normally perform the work on a straight time basis. If there are insufficient volunteers, the least senior employee in the classification on that shift will be assigned. The least senior employee shall be forced to work on a daily basis as required. On occasion, some overtime assignments will not be in accordance with the seniority provisions contained within this Agreement. Personnel who live on the base or in close proximity will be used in special circumstances when time is of the essence, an assignment is for a short duration, management is provided with short notice of the customer requirements, or more senior personnel are not located close to work to make the required deadline to meet customer needs.

(d) Overtime is calculated from the start of the assigned work week until the end of the seventh (7th) day. Overtime shall be paid on the following basis:

(1) For hours worked in excess of eight (8) hours in a given day overtime shall be paid at one and one half (1.5) times the effective hourly rate. This new overtime policy shall become effective with the ratification of this agreement by all parties involved.

(2) For hours worked in excess of forty (40) in a work week, overtime shall be paid at one and one half (1.5) times the effective hourly rate. All compensation, such as paid sick leave, holidays, vacation, bereavement leave, medical appointments during working hours for Worker's Compensation, jury duty and time spent in arbitration for any shop stewards shall be considered as time worked.

(3) For hours worked on the seventh (7th) day in the work week at two (2) times the effective hourly rate.

(4) For hours worked in excess of twelve (12) continuous hours, employees will be compensated at two (2) times the effective hourly rate. It should be understood that the Company will attempt to preclude employees from working more than twelve (12) consecutive hours in any given work day.

(e) There shall be no pyramiding of overtime premium payments.

(f) "Regular Straight Time Rate" is defined as the wage rate shown for each classification on the wage schedule in "Appendix A" to this Agreement.

(g) The Company shall pay the scale of wages included in "Appendix A" made a part of this Agreement hereof.

(h) It is understood that attempted telephone, cell phone or pager contact at the telephone number furnished by the employee will constitute all necessary effort to select employees for assignments hereunder who are not present for personal contact.

ARTICLE 6

HOLIDAYS

(a) The following holidays with pay shall be granted:

New Year's Day	Martin Luther King's Birthday
President's Day	Memorial Day
Independence Day	Labor Day
Columbus Day	Veteran's Day
Thanksgiving Day	Christmas Day

(b) An employee required to work on any of the above holidays shall receive two (2) times the regular rate as full compensation for such holiday worked.

(c) Time compensated but not worked on a holiday shall be considered as time worked for the purpose of computing overtime.

(d) An employee scheduled to work on any of the above holidays who fails to report for work shall not receive payment for that day. Management will review extreme cases based upon the merits of the absence. Circumstances surrounding the absence must be sufficiently communicated to Management on a timely basis.

(e) Employees who have Saturday and Sunday as their regular days off will observe holidays as follows:

(1) When a holiday falls on Saturday, the preceding Friday will be observed as the holiday;

(2) When a holiday falls on Sunday, the following Monday will be observed as the holiday. Exceptions on a case by case basis may be made by the Company to provide unanticipated customer support.

(f) No employee shall be required to report for duty on a holiday except when absolutely necessary to support operations and customer requirements.

ARTICLE 7

VACATIONS

(a) For the purpose of computing length of service for eligibility for vacations, as provided in the subparagraphs, the total service of an employee as defined by the Service Contract Act shall be used to determine eligibility. Vacations are accrued at a rate of 1/12th per month of an employee's total eligibility for that year.

(b) Effective October 1, 1999, on or after the employee's anniversary date of each year, employees shall be entitled to a paid vacation in accordance with the following schedule:

- 1b. If in the employ of the Company for less than one (1) year, one-half (1/2) day of paid vacation for each month of service up to five (5) days of paid vacation.
- 2b. If in the employ of the Company for one (1) year, but less than six (6) years, ten (10) days (two weeks) of paid vacation.
- 3b. If in the employ of the Company for six (6) years but less than thirteen (13) years, fifteen (15) days of paid vacation.
- 4b. If in the employ of the Company for thirteen (13) years or more, twenty (20) days of paid vacation.

The Company has agreed that employees may request vacation subject to the approval of the Company. The Company shall not withhold permission without good cause.

(c) An employee (other than probationary) who leaves the service of the Company, shall be paid for vacation not taken.

(d) Employees may draw pay for their vacations at the beginning of such vacation, provided they submit their vacation request form at least two (2) weeks prior to the beginning of said vacation. Emergency situations will be handled on a case by case basis.

(e) Time spent on Military Leave of Absence shall be considered length of service for the purpose of determining an employee's eligibility for vacation as provided in this Article.

ARTICLE 8

SENIORITY

(a) New employees regardless of classification, shall be considered on probation for a period of three (3) months from the date of hire, or until a Government security clearance is received by the Company for the individual involved, whichever is the longer. All newly hired employees shall be subject to dismissal before completing three (3) months of service if he/she fails to demonstrate sufficient abilities and performance standards for the position. Trial status

employees dismissed by the Company shall not have such action reviewed by the Union.

(b) Seniority shall commence with the date of placement on the payroll of the Company under this Agreement in any classification hereunder.

(c) If a reduction in force is necessary, the junior employee or employees in the classification performing the type of work being reduced, will be reassigned to positions held by less senior employees to the extent they are qualified to fill a new assignment, or be laid off.

(d) Seniority rights of an employee who, on the date he/she is laid off having less than one year of compensated service under this Agreement, shall be terminated if he/she is not rehired within six (6) months after layoff.

(e) Re-employment after a layoff, shall be in accordance with seniority of the employee(s) laid off to the extent that they are qualified. Upon being notified by the Company by telephone or by Registered Mail to his/her last known address of record to return to work, an employee will lose his/her seniority after five (5) days.

(f) Seniority lists of the employees in classifications under this Agreement giving name, the seniority date, and job classification shall be furnished to the Union one (1) month after signing of this Agreement. A list of additions and separations will be furnished as requested.

(g) Seniority of an employee will be broken and his employment with the Company will be terminated under the following conditions:

- (1) Discharge for just cause.
- (2) Resignation
- (3) Failure to respond to recall notification within the time frame established.
- (4) Failure to be recalled from layoffs within six (6) months after each layoff.
- (5) Failure to report for work upon expiration of an approved leave of absence.
- (6) Accepting other employment while on approved leave of absence without prior permission from the Company.
- (7) Retirement.

ARTICLE 9

PROMOTIONS, QUALIFICATIONS AND JOB CLASSIFICATIONS

(a) Before any new employee is hired in a job classification under this Agreement, employees covered by this Agreement shall be given an opportunity to qualify for promotion to such job classification in accordance with their seniority.

(b) Any employee (if qualified in a classification covered by this Agreement), who desires to

be considered for promotion opportunity, shift preference, or transfer to a different work section, under this paragraph may submit a request during the posting period. The vacancy may be awarded to the senior qualified employee, who has submitted a request for shift preference. The ensuing vacancy will be considered for employees who have submitted transfer requests. No further requests will be considered, unless the next opening could result in a shift change for an employee. Once an employee has been granted a request under this paragraph, no further consideration will be given for six (6) months.

(c) Nothing in this Agreement shall be construed to prevent an employee from performing work that is below his/her job classification when requested to do so by the Company.

(d) Whenever and wherever the Company establishes requirements and qualifications for assignments within the collective bargaining unit, the same shall be submitted to the Union.

(e) Whenever possible, the Company will post job openings for current openings or newly created positions at each work group location or a centralized bulletin board accessible by employees. Promotional opportunities at other Company locations will be posted on the Company web page. Solicitation for resumes, anticipated or projected manpower requirements for new business opportunities, will also be posted on the Company web page. The Company web page can be accessed at <www.unitedparadyne.com>.

ARTICLE 10

LEAVE OF ABSENCE

(a) Upon approval of the Company, a leave of absence of up to thirty (30) days may be granted to an employee. During such leave the employee's seniority shall accumulate.

(b) If such leave under (a) above is extended by the Company, the employee will retain but will not accrue seniority, except that seniority shall continue to accrue on leave for Union business. An employee accepting gainful employment while on leave of absence, except as specially approved in writing by the Company, automatically terminates employment with the Company.

(c) Employees who by reason of bona fide illness require time off, will be granted appropriate leaves of absence, if eligible. Family Medical Leave Act, along with established eligibility requirements, and Maternity Leaves of Absence will be granted in accordance with Company policy and applicable laws. Seniority will continue to accrue during such leaves. In no event will seniority accrue for more than one (1) year. Employees electing to use provisions of the Family Medical Leave Act will not be required to use more than forty (40) hours of accrued vacation during the requested leave. However, employees, based upon their individual circumstances, may elect to use all vacation eligibility while on an approved medical leave of absence.

(d) Time spent on leave of absence shall not count for vacation, sick leave, or pay review.

ARTICLE 11
MILITARY LEAVE - RETENTION OF SENIORITY

- (a) The re-employment and seniority status of any employee hereunder who, while in the active service of the Company, entered the Armed Services or during wartime entered the Merchant Marines of the United States, shall be governed by the provisions of the Service and Training Act of 1948, as amended, or other applicable law.
- (b) When military training leave of up to a maximum of twenty-one (21) calendar days is granted, time spent on such leave shall not affect the employee's wage review period, vacation accrual, or seniority.
- (c) **Military Leave:** An employee shall be granted a maximum of ten (10) working days leave each calendar year when ordered to short term active military duty. Such employee may elect to use earned vacation time to offset his/her military pay and base pay, which they would have received if they had remained on the active payroll for such a period not to exceed ten (10) days.

ARTICLE 12
TERMINATION OF EMPLOYMENT

- (a) Employees shall give the Company two (2) weeks notice of resignation in writing.

ARTICLE 13
PAID SICK LEAVE

- (a) Administration of sick leave shall be in accordance with the written Company sick leave policy.
- (b) The employees covered by this Agreement and the Union recognize their obligation to prevent unnecessary absences that would impact operations or customer service.
- (c) The Company has agreed to provide paid sick leave of 40 hours per year. Payments are determined by an employee's base pay. Employees must have been employed for one full year prior to eligibility for paid sick leave. Regular employees, with more than one year of service, will be permitted to bank accrued sick leave that has not been taken. Each eligible employee may bank up to eighty (80) hours of sick leave. Accumulated sick leave credit can be cashed out upon termination of employment at one-fourth (1/4th) of the employee's current pay scale. Employees who have been terminated for cause are not eligible to recover accumulated sick leave.

ARTICLE 14

PROTECTIVE CLOTHING, EQUIPMENT AND TOOLS

- (a) Employees shall be required to wear protective work clothing that is reasonably suitable and safe for the type of work they are assigned. Protective work clothing shall be based upon recognized consensus standards, Air Force Instruction or Regulations, or recommendations made by the manufacturer of certain chemicals or hazardous substances. Lettering of any description other than the standard UPC insignia as prescribed by the Company, shall not be permitted on any work clothing. UPC Corporate Safety shall be the final authority on all matters pertaining to employee safety and required protective clothing.
- (b) Where employees are required by the Company to wear standard Company overalls or special work clothing, the Company shall furnish such clothing based upon established Company guidelines.
- (c) Each employee shall be required to have standard hand tools necessary to perform the duties of his/her classification. Specialized tools shall be furnished as needed by the Company.
- (d) The Company is fully aware that some operations performed by employees during periods of excessive heat can prove to be uncomfortable. In an effort to provide more conducive working conditions during such periods, employees will be permitted to wear Company approved shorts and short-sleeve shirts. It is understood by the parties to this Agreement that protective clothing must be worn by personnel during operations where fuels, propellants, cryogenics or other hazardous materials or substances are capable of causing harm to employees. Shorts and short-sleeve shirts are to be worn only when reasonable work conditions exist (i.e. driving a fuel truck, washing a vehicle, waiting for assignment, etc.). It is further understood that in no instance will shorts or short-sleeve shirts be authorized if customers object or if the Company has adverse loss experience from this accommodation. This includes delays in providing customer service due to proper protective clothing not being readily available by employees. In the event an injury or illness occurs, or the Company experiences delays in customer service, both the Company and the Union agree the language in this paragraph will be struck and removed from future consideration. Additionally, it is understood that employees must adequately protect any exposed skin surface from ultraviolet radiation exposure when wearing shorts and short-sleeve shirts.

ARTICLE 15

BULLETIN BOARDS

The Company shall provide Bulletin Boards for the use of the Union. All notices placed on such Bulletin Boards shall relate solely to official Union business and shall have the official signature of the Union's Business Representative. The Fuels Management Flight will approve all notices prior to posting.

ARTICLE 16
GENERAL BENEFITS

Except as modified by this Agreement, general benefits which have been established by the Company shall be continued unless changed by mutual consent, or by resort to the processes of Articles 21 and 22 of this Agreement.

ARTICLE 17
MUTUAL AGREEMENTS

Exception agreements, or modifications of this Agreement, may not be made except by mutual agreement, in writing, between the Corporate Labor Relations Representative or his/her designee for the Company, and a designated representative of Teamsters Local 986, for the Union.

ARTICLE 18
NO STRIKE - NO LOCKOUT

It is expressly understood and agreed that the business of the Company is directly related to the important and vital work of the United States Government and that efficient and uninterrupted services must be furnished to those agencies of the Government who have need of and make use of the capabilities of the Company. Therefore, the parties agree that during the term of this Agreement:

(a) The procedure provided for herein, for the settlement of grievances, shall serve as a means for the peaceful resolution of all disputes that may arise between the Parties. It is further understood that under no circumstance will the Union permit, encourage, sanction, lend favor to, or authorize a strike or slowdown of work activities, and

(b) So long as the Union is complying with the provisions of this Article, the terms and conditions of this Agreement, and all applicable laws, the Company agrees that it will not engage in any lockout of its employees.

ARTICLE 19
MANAGEMENT CLAUSE

Except as otherwise expressly and specifically provided in this Agreement nothing herein shall limit the Company in the free and independent exercise of the rights and functions of ownership or management. Accordingly, the Company has among other rights, the right: to select its supervisory personnel, to hire new employees, and to direct the working force; to lay off employees; to make such reasonable rules and regulations as the Company considers necessary or advisable for the orderly and efficient conduct of its business, and to require

employees to observe such rules and regulations; to decide the number and location of its work force; to decide and determine the methods, quality standards and schedules of operation; and to determine and designate all occupational classifications it has to offer employees. It is agreed that the enumeration of the rights and functions of management herein reserved shall not be deemed to exclude other rights of ownership or management not so enumerated. The contract provisions set forth herein shall be the sole source of any rights the Union may assert in arbitration. The Company's not exercising any functions hereby reserved for it or its exercising any functions in a particular way shall not be deemed a waiver of its right to exercise such functions or preclude the Company from exercising the same in some other way not in conflict with the express provisions of this Agreement.

This section is not intended to limit the Company's right to subcontract work. The Company agrees that it will not subcontract any work performed by employees of this bargaining unit to any other person, firm, or corporation if such subcontracting will cause the loss of work opportunities to employees already covered by this Agreement. It is understood between the Union and the Company that this Article does not apply to work lost as a result of a change in the scope of work contained in the Company's current contract at Edward's Air Force Base.

ARTICLE 20

DISCIPLINE AND DISCHARGE

The Company shall have the right to discipline or discharge any employee for just and reasonable cause.

The reason for discharge or other disciplinary action shall be given to the employee in writing at the time of the discharge or other disciplinary action and the Company will provide a copy of such action to the Union.

Work rules are divided into two categories. As a general rule, Group One violations are considered the most serious violations and subject the employee to immediate termination.

Group Two violations will generally result in some form of progressive discipline. Disciplinary action for Group Two violations include termination, demotion, disciplinary suspension, written or verbal warning, depending, in the opinion of the employer, upon the circumstances involved. The Company reserves the right to select the discipline or to by pass any one or more of the methods of discipline herein.

Group One work-related violations include, but are not limited to, the following:

1. Dishonesty, including falsifying of the Employer's records.
2. Reporting for duty having any detectable blood alcohol level at the threshold levels established under existing regulations, or under the apparent influence of intoxicating beverages, or the use or possession of intoxicating beverages on the Company's property, vehicles, or places of work, or reporting for duty under the apparent influence of drugs or

alcohol in violation of the Employer's Drug and Alcohol Policy.

3. Deliberate destruction, abuse, or unauthorized removal of property of the Employer, other employees, the Companies clients, or the general public.

4. Engaging in a strike, sympathy strike or slowdown, picketing, slowdown or other act in violation the No Strike - No Lockout provisions of this Agreement.

5. Providing false information, false documents or refusing to cooperate in the investigation of accidents or incidents.

6. Possessing of unauthorized firearms or other dangerous weapons at work or during the course of employment.

7. Insubordination. Insubordination includes a pattern of challenging a supervisor's or Leads authority or a refusal, after a supervisor or Lead gives a direct order and explains the consequences of refusal, to perform assigned work.

8. Threatening, intimidating, coercing or abusing other employees, clients, or members of the public.

9. Violations of Criminal Law that would have an adverse impact on the Company or its reputation.

10. Violations of Air Force, Company or other regulatory, technical, or safety policies.

Group Two work-related offenses include, but are not limited to, the following:

1. Neglect of duty.

2. Sleeping during work time or in work areas (excludes sleeping during authorized break periods in non-work areas).

3. Engaging in horseplay during working hours or on Company's premises.

4. Absence from work where permission to be absent has not been given by the Company, unless such absence is beyond the control of the employee, in which case the employee must notify the Company of his anticipated absence.

5. Failure to immediately report accidents or personal injuries in accordance with published procedures.

6. Making disparaging remarks about the Company or the Company's facility or services, or any words or deeds which would discourage any person from dealing with the Company.

7. Neglect in the care of Government or Company property.

8. Uncooperative attitude.
9. Carelessness.
10. Violation of Company safety rules.
11. Violation of Company work rules, policies, or procedures.
12. Incompetence.
13. Violation of any applicable local, state or federal law, rule, regulation or ordinance.
14. Conviction of a crime (Suspension without pay after arrest for a crime affecting or relating to the nature of the employee's work pending determination of guilt is permissible).
15. Any other act of dishonesty, misconduct or neglect not listed above.

Failure on the part of the Company to enforce the provisions of this clause in certain instances shall not constitute a waiver of the Company's rights to enforce the clause in other instances. The foregoing list is not intended to be all-inclusive, employees may be disciplined or discharged for other conduct not included under the terms of this Article where such conduct provides just cause.

The provisions of this Article do not apply to layoffs however; some actions of employees may make them ineligible for recall or rehire.

ARTICLE 21

ADJUSTMENT OF GRIEVANCES

(a) An employee who believes that he/she has been unjustly dealt with as to the interpretation of this Agreement in its application to a particular situation, or as to whether it has been observed or performed, shall be a "grievance" under this Agreement; the procedures provided herein shall be the exclusive remedies available to the Company, the Union, and to the employees for the adjustment of such grievances.

(b) All grievances beyond Step 2 involving employee claims, shall be in writing on forms provided by the Union.

(c) In an effort to adjust employee grievances by mutual agreement, they shall be presented in the following order and within the following time limits:

Step 1. The employee (with or without the steward) shall promptly bring the grievance to the supervisor. If such grievance is not settled within two (2) working days, then;

Step 2. It shall be reduced to writing, signed by the employee or the appropriate Union representative. The written grievance must set forth a statement of grievance and the

article or section of the Agreement that is claimed to be violated. It then must be taken up with the Project Manager or his/her designee. A meeting will be scheduled within two (2) subsequent working days, excluding weekends and holidays. If no agreement has been reached within seven (7) calendar days, it shall be moved to Final Step.

Final Step. The Final Step of the procedure shall involve the UPC Corporate Staff, or authorized designee, and the Business Representative of the Union. A meeting will be held within five (5) working days after receipt of the grievance into a final step. A written reply from the Company will be given to the Union within five (5) working days after the meeting. If no agreement has been reached within five (5) working days, either party may submit the grievance or dispute to arbitration in the manner provided herein.

Precedents. A final decision, made with respect to any grievance on the first or second step, shall apply to that grievance only and shall not become a binding precedent in the case of other grievances, nor a precedent which shall bind the parties as an interpretation of the Agreement. All settlements must be consistent with the terms and conditions of this Agreement.

ARTICLE 22

ARBITRATION PROCEDURE

- (a) The party choosing to arbitrate shall give written notice to the other party setting forth the matter to be aggrieved. If said notice is not served within a five (5) working day period specified in the grievance procedure, it shall be deemed that the grievance has been satisfactorily adjusted and the right to arbitrate waived.
- (b) In the event the Union or the Company submits a grievance to arbitration, a representative selected by the Union shall meet with a representative selected by the Company within five (5) days of receipt of the above notice, and attempt to agree on an arbitrator. In the event the parties cannot agree on an arbitrator within five (5) working days, the parties will petition the American Arbitration Association for a panel of five (5) arbitrators. These five (5) arbitrators must be qualified by the American Arbitration Association (AAA). In the latter case, the partitioner has the first right to strike a name.
- (c) The arbitrator shall not have the power to add to or in any way modify, alter, or expand any of the terms of this Agreement, or any Agreement supplemental hereto, and the decision of the arbitrator shall be based upon the provisions of this Agreement.
- (d) The impartial arbitrator shall render an award within thirty (30) days after the close of the hearing, and the parties agree to comply with any award rendered under the terms of this Agreement within ten (10) working days after such award is rendered.
- (e) Each party shall bear its own expense with respect to the preparation and the presentation of the matter to the impartial arbitrator, and both parties shall bear equally, the expense of the arbitrator proper, including the fee, if any, of the arbitrator.

ARTICLE 23
ABSENCE FROM DUTY

- (a) An employee hereunder shall not be absent from duty without prior permission, in writing, except for reason of sickness, injury or other justifiable cause beyond the control of the employee.
- (b) An employee hereunder who is prevented from reporting for duty by reason of sickness, injury, or other justifiable cause beyond the control of the employee shall promptly notify his/her immediate supervisor or a designated absentee control point, if established by the Company, of the employees' inability to report for work, and provide reason for the absence on a daily basis. Such notice will not be considered if given after the employee's regular starting time, except when prevented by personal emergency. In the event of an authorized Medical Leave of Absence, weekly notice thereof shall be given to the Company.

ARTICLE 24
UNION SECURITY AND CHECKOFF

- (a) Each present employee who is covered by the Agreement who is not a member of the Union immediately following the expiration of thirty (30) calendar days after execution of this Agreement and as a condition of continued employment, shall become and remain a member of the Union.
- (b) All other employees hired after the execution of this Agreement shall, immediately following thirty (30) calendar days from their date of hire, or the effective date of this Agreement, whichever is later, become members of the Union as a condition of continued employment, provided that nothing herein shall be interpreted to cause a violation of the National Labor Relations Act, or any other applicable law.
- (c) If an employee's employment is interrupted due to temporary layoff or leave of absence for more than thirty (30) calendar days, the Union will be notified so that the employee may be placed on honorable withdrawal from the Union. When the employee returns to work, the Union will be notified so that the employee's membership may be placed on active status.
- (d) The Company, upon request from the Union Business Representative, shall provide to the Union the status of employees for the purpose of reconciling the employee's membership status.
- (e) No employee shall be considered as having failed to maintain membership so long as he regularly tenders to the Union his uniform periodic monthly dues and/or uniform initiation fee, if required, or applicable service fee. The Company need not terminate any employee for failure to maintain his membership hereunder unless he fails or refuses to cure his dues delinquency within ten (10) days after the Union has given the Company written notice by registered mail requesting such termination. Before sending the Company such request, the employee shall first be given notice in writing by the Union to pay his delinquent dues and/or initiation fee. A

copy of such notice shall be sent to the Company.

(f) After the hire of any new employee, the Company shall notify the Union in writing of the employee's name, social security number, address, his date of hire, his location of employment, and his classification and rate of pay.

(g) The Union shall indemnify and hold harmless the Company from any and all claims, demands, suits or forms of liability that shall arise out of or by reason of action taken or not taken by the Company for the purpose of complying with any provisions of this Article including the reasonable costs of any defense made necessary by any such liability, claim, suit or dispute.

(h) The Company agrees to deduct from the wages of such of its employees as so requested in writing, all initiation fees and dues or applicable Service Fees stipulated by the Union and to transmit the money so deducted to the Union as hereinafter provided. It is understood that the Union will be responsible for any cost accounting associated with the deduction and make the Company whole for any time and effort expended. Any employee desiring to have such deductions may sign a proper form authorizing such deduction from his pay. Such a written authorization may be revoked by the employee by written notice to the Company and the Union during the ten (10) day period prior to the end of any such applicable yearly period or during the ten (10) day period prior to the termination date of any applicable Collective Bargaining Agreement, whichever occurs sooner. In the absence of such notice of revocation, the authorization shall be renewed for each additional yearly period, or until the end of the collective bargaining agreement, whichever occurs sooner. The Company shall deduct from one bi-weekly payroll each month the current monthly dues or service fees amount and/or initiation fees specified by the Union.

(i) In case any employee does not have the total amount of any deduction, or more due him on any payroll from which deductions are made in respect of other such employees, the deduction shall be made out of the next succeeding payroll upon which such employee has the total amount, or more, due. It is agreed that authorized deductions for government taxes and for the purpose of paying indebtedness to the Company, garnishments and deductions required by law to be made by the Company shall have priority over deductions for Union dues.

(j) The total amount of any such deductions shall be delivered to the Union by the fifth (5th) day of the month following the month in which the deduction was taken by the Company by check drawn to the order of the Union. Upon the issuance of such check and the transmission of same to the Local Union, all responsibility on the part of the Company shall cease with respect to any amount so deducted. The Company shall not be bound in any manner to see to the application of the procedures of any such check, nor to investigate the authority of any designated officer of said Union to sign any request to accept any such check or to collect same.

(k) The Union will provide the Company a billing statement by the tenth (10th) of each month for deductions to be taken in the current month. The Union will provide the Company with a receipt of check within five (5) business days of delivery.

(l) The Union shall indemnify and hold harmless the Company from any and all claims,

demands, suits or forms of liability that shall arise out of or by reason of action taken to not taken by the Company for the purpose of complying with this Article including the reasonable costs of any defense made necessary by such liability, claim, suit or dispute.

- (m) The authorization for deduction of check-off dues is shown in Appendix "B".

ARTICLE 25

GENERAL

- (a) Should any provision or provisions of this Agreement be rendered or declared invalid by reason of any existing or subsequently enacted legislation, court order, regulation or by reason of any decree of a court of competent jurisdiction, such invalidation of such part or parts of this Agreement shall not invalidate the remaining portions hereof and the said remaining portions shall be remain in full force and effect. Upon such invalidation the parties agree to meet and negotiate substitute provisions for such parts or provisions rendered or declared illegal.
- (b) There shall be no discrimination or harassment by the Company or Union against any employee because of race, sex, creed, color, national origin, age, handicap, veteran status or other status protected by applicable federal, state or local law or regulations. There shall be no harassment or discrimination against any employee exercising his right to file a grievance or any employee of management for performing his duties under this Agreement.
- (c) All references to "employee", "employees", "man", "men", "he", "him", or "his" in this Agreement refer to both male and female employees. The terms are used for the sole purpose of brevity and clarity of language construction only, and do not imply or refer to sex or gender in any way whatsoever.
- (d) Employees covered by this Agreement shall be governed by all site rules, regulations, laws, and orders which are not in conflict with the terms and conditions of this Agreement.
- (e) When the Company assigns employees to attend training which may include attending seminars, lectures, and other group information training sessions employees shall not suffer any reduction in hours paid for their respective work week. Additionally, the Company will pay normal and customary costs associated with the training activity.
- (f) The employee will be responsible for reasonable care of customer, Air Force and/or Company furnished equipment, property, and materials and will use his best efforts to notify the Company of any sabotage or damage to Company, customer or employee property or materials.
- (g) Should an employee fail a medical examination required for a particular job, and as a result thereof, is unable to perform the duties of his job classification, the Company will reassign the employee to available work for which the employee is qualified and which he is able to perform. If the Company is unable to reassign the employee, the employee will be laid off due to lack of work.

- (h) The Union business representative or his authorized designee shall be provided copies of the minutes of the monthly departmental safety meetings. The Union may designate, in writing, a Bargaining Unit member to accompany OSHA and/or Cal/OSHA on any walk-around inspections.
- (i) The Company will furnish safety equipment and protective clothing to employees as required to perform their jobs safely based upon established Company guidelines.
- (j) The Company and the Union shall fully cooperate in continuing the objective to eliminate accidents and health hazards from the work environment. The Company shall make reasonable provision for the safety and health of its employees during the hours of employment and employees shall be held accountable for strict compliance and adherence to all health and safety rules and regulations.
- (k) It is understood and agreed that if the Company requires a license(s) or certification(s) to perform work within a job classification covered by this bargaining unit, that such license(s) or certification(s) shall be a condition of continued employment in such job classification. A denial or withdrawal of such license(s) or certification(s) by an appropriate agency having jurisdiction will be grounds for disqualification and dismissal from employment.
- (l) The Company will make available to the Union, on a non-interruptive basis, for its use and the use of benefit program administrators, vendors and providers, space on a designated time to discuss matters with employees.
- (m) The Company and the Union jointly acknowledge and agree to abide by the UPC Drug, Alcohol, Weapons and Contraband policy and to implement same at the effective date of this agreement.

ARTICLE 26

DURATION OF AGREEMENT

This Agreement shall become effective August 22, 1999 or on the date the Union officially notifies the Company that the Agreement has been ratified, whichever comes later, and shall thereafter continue in full force and effect through September 30, 2003, in accordance with the provisions herein mentioned.

It is agreed that during the negotiations leading to the execution of this Agreement, the parties have had full opportunity to submit all items appropriate to collective bargaining; the parties expressly waive the right to submit any additional item for negotiations during the term of this Agreement, whether or not such item is referred to or covered in this Agreement, or whether the item was or was not discussed during the course of negotiations leading to the execution of this Agreement; and that this Agreement incorporates their full and complete understanding, superseding and invalidating all previous commitments of any kind, oral or written, past practices, existing conditions, and all prior employee and Association rights and benefits not specifically incorporated herein. The specific provisions of this Agreement are the sole source of any rights which the Union or any member of the bargaining unit may charge the

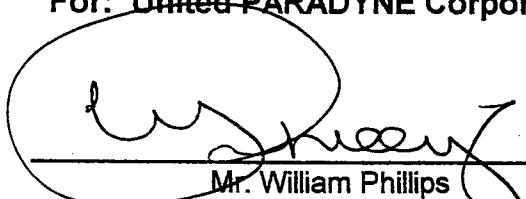
employer has violated in raising a grievance.

This Agreement shall continue in full force and effect through September 30, 2003, and shall renew itself without change unless written notice of intended change is served by either party hereto at least sixty (60) days prior to the expiration of this Agreement.

IN WITNESS THEREOF, the parties hereto have signed this Agreement this 22nd day of August, 1999, at Edward's Air Force Base, California.

For: ~~United~~ PARADYNE Corporation


For: International Brotherhood of
Teamsters, Local 986



Mr. William Phillips



Mr. Jerry Benjamin



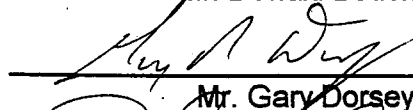
Mr. Thomas Betts



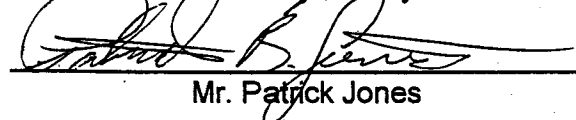
Mr. Donald Bouche



Mr. Joseph Henderson



Mr. Gary Dorsey



Mr. Patrick Jones

APPENDIX A

WAGE RATES AND ADMINISTRATION

Job Classification:

8-1-1999

10-1-2000

10-1-2001

10-1-2002

Fuel Distribution System Operator	14.98	15.58	16.20	16.85
Fuel Distribution System Operator Lead	17.17	17.86	18.57	19.31
Fuels Technical Support Operator	17.17	17.86	18.57	19.31

Finders Fee:

United Paradyne Corporation encourages our employees to locate qualified personnel to assist in the staffing requirements for Fuels Distribution System Operators as they become available at Edward's Air Force Base. To assist in this process, represented employees covered by this agreement will be compensated \$250.00 for each qualified person that is referred and subsequently employed by the Corporation. It should be understood that any person referred who is not offered employment with the Corporation and the reasons for that determination are exclusively between the applicant and the Corporation. Reasons for not offering employment to any candidate is privileged information and not subject to disclosure.

Lump Sum Pay Out:

The Company agrees to make a one-time lump sum payment of wages. The amount of payment will be \$201.06 per employee for Fuel Distribution System Operator and \$228.93 for Fuel Distribution System Operator Lead payable on the 15th of October 1999. This payment covers wage increases for Fuel Distribution System Operators and Leads from 1 August 1999 through 30 September 1999.

Selected Non-Participation in M.U.S.T. Medical Programs:

The Company acknowledges and will permit employees not to participate in the Medical, Prescription Drug, Vision Care and Dental Programs under the Multi-Union Security Trust Fund. Employees electing not to participate will be required to provide written affirmative documentation declining the coverage during the open enrollment period established for the program. Employees electing not to participate will be provided with compensation of 40% of the program cost less applicable Federal and State taxes.

APPENDIX B

BENEFITS

Medical Program:

The Company agrees to provide to all regular employees covered by this agreement the Multi-Union Security Trust Fund (MUST) Medical Program. The full cost of the program, minus any program deductibles, shall be paid by the Company for full family coverage for the employee and all legal dependents subject to program requirements.

Prescription Drug Program:

The Company agrees to provide to all regular employees covered by this agreement the Multi-Union Security Trust Fund (MUST) Prescription Drug Program. The full cost of the program, minus any program deductibles, shall be paid by the Company for full family coverage for the employee and all legal dependents subject to program requirements.

Vision Care Program:

The Company agrees to provide to all regular employees covered by this agreement the Multi-Union Security Trust Fund (MUST) Vision Care Program. The full cost of the program, minus any program deductibles, shall be paid by the Company for full family coverage for the employee and all legal dependents subject to program requirements.

Dental Care Program:

The Company agrees to provide to all regular employees covered by this agreement the Multi-Union Security Trust Fund (MUST) Dental Care Program. The full cost of the program, minus any program deductibles, shall be paid by the Company for full family coverage for the employee and all legal dependents subject to program requirements.

Notice: The Company further agrees to pay for program increases up to a threshold for all programs not to exceed a cap of 9% during the life of this agreement.

All current employees as of August 23, 1999 will be covered under the above benefit programs as of October 1, 1999. All employees hired after August 23, 1999 will become covered under these benefits as of the first of the month following thirty (30) days from their employment start date.